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The results of the financial feasibility analysis are as follows<sup>12</sup>:

- **Single-Family Detached** – According to the results of the pro forma analysis, the single-family detached prototype meets the threshold of feasibility and the addition of a one percent construction excise tax on the single-family detached prototype also marginally meets the threshold of feasibility.
- **Townhome** – According to the results of the pro forma analysis, the townhome prototype meets the threshold of feasibility and the addition of a one percent construction excise tax on the townhome prototype also meets the threshold of feasibility.
- **Low-Rise Apartment** – According to the results of the pro forma analysis, the apartment prototype only marginally meets the threshold of feasibility and the addition of a one percent construction excise tax on the apartment prototype does not meet the threshold of feasibility.
- **Cottage Cluster** – According to the results of the pro forma analysis, the cottage cluster prototype does not meet the threshold of feasibility and the addition of a one percent construction excise tax on the cottage cluster prototype also does not meet the threshold of feasibility.
- **The financial feasibility analysis indicates that some types of residential development do not meet the minimum threshold of feasibility or are marginally feasible even without the CET.**
- **To address financial feasibility concerns, however, the City of Eugene could take a number of steps, including:**
  - **Phasing in a CET first with a one-third or one-half of one-percent tax rate.** The City of Bend, which was the first to implement a CET, uses one-third of a percent, and has raised over \$6.4 million for a revolving fund for affordable housing.

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<sup>12</sup> Data sources for the financial feasibility analysis include: interviews with developers; RS Means; similar pro formas; and data provided by the City of Eugene.

- **Accompanying the implementation of a CET with regulatory/process improvements that have the potential to reduce other development costs.**
- **Exempting some types of housing units, particularly those that meet other housing goals, such as smaller, more affordable units, from paying the CET.**
- **Using a portion of revenue collected to assist in the production of qualifying market-rate units.**